

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

MOTORS LIQUIDATION COMPANY, *et al.*,

f/k/a GENERAL MOTORS CORP. *et al.*,

Debtors.

Chapter 11

Case No. 09-50026 (REG)

(Jointly Administered)

**STIPULATION AND AGREED ORDER RESOLVING CERTAIN
CLAIMS OF THE UNITED STATES OF AMERICA AGAINST THE DEBTORS**

It is hereby stipulated and agreed by Motors Liquidation Company (f/k/a General Motors Corporation) (“**MLC**”) and its affiliated debtors, including Remediation and Liability Management Company (“**REALM**”), and Environmental Corporate Remediation Company, Inc. (“**ENCORE**”), as debtors in possession (collectively, “**Debtors**”), by their attorneys, Weil, Gotshal & Manges LLP, and the United States of America (the “**United States**” or “**Government**” and together with the Debtors, the “**Parties**”), by its attorney, Preet Bharara, United States Attorney for the Southern District of New York, as follows:

WHEREAS, on June 1, 2009, four of the Debtors, including MLC, (the “**Initial Debtors**”) commenced voluntary cases under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), before the United States Bankruptcy Court for the Southern District of New York (the “**Court**”), Case No. 09-50026 (REG);

WHEREAS, on October 9, 2009, two additional Debtors, REALM and ENCORE, commenced voluntary cases under chapter 11 of the Bankruptcy Code;

WHEREAS, the chapter 11 cases filed by the Initial Debtors, REALM and ENCORE have been consolidated for procedural purposes and are being administered jointly as Case No. 09-50026 (REG);

WHEREAS, on November 25, 2009, the United States, on behalf of the United States Department of the Treasury (“**Treasury**”), timely filed Proof of Claim No. 65669 against MLC asserting a secured contingent unliquidated claim arising from, or relating to, loans that Treasury provided to the Debtors pursuant to a Loan and Security Agreement by and among MLC as Borrower, Treasury as Lender, and other parties thereto, dated December 31, 2008 (as amended, supplemented or otherwise modified from time to time, and including all related agreements and other documents) (the “**LSA Proof of Claim**”);

WHEREAS, on November 25, 2009, the United States, on behalf of Treasury, timely filed a further Proof of Claim No. 65754 against MLC asserting an allowed superpriority administrative expense claim arising from, or relating to, loans that Treasury provided to the Debtors pursuant to a Secured Superpriority Debtor-In-Possession Credit Agreement by and among MLC as Borrower, Treasury as Lender, and other parties thereto, dated June 3, 2009 (as amended, supplemented or otherwise modified from time to time, and including all related agreements and other documents) (the “**DIP Proof of Claim**”);

WHEREAS, the claims asserted in the LSA Proof of Claim and DIP Proof of Claim were allowed by prior order of the Court dated June 25, 2009, as amended on July 5, 2009;

WHEREAS, the LSA Proof of Claim and the DIP Proof of Claim were asserted against each of the Initial Debtors;

WHEREAS, on April 16, 2010, the United States, on behalf of Treasury, timely filed proofs of claim that were assigned Nos. 70252 and 70253 against REALM asserting the same claims previously asserted against MLC in the LSA Proof of Claim and the DIP Proof of Claim;

WHEREAS, on April 16, 2010, the United States, on behalf of Treasury, also timely filed proofs of claim that were assigned Nos. 70256 and 70257 against ENCORE asserting the same claims previously asserted against MLC in the LSA Proof of Claim and the DIP Proof of Claim;

WHEREAS, Debtors' Amended Joint Chapter 11 Plan, dated December 7, 2010 (as amended from time to time, the "**Plan**"), expressly provides that, upon confirmation of the Plan, joint obligations of two or more of the Debtors, and identical claims against multiple Debtors, are to be merged based on the doctrine of substantive consolidation; and

WHEREAS, Debtors agree that Treasury's LSA Proof of Claim and DIP Proof of Claim assert timely claims against all Debtors, including REALM and ENCORE;

NOW, THEREFORE, in consideration of the foregoing and upon the consent and agreement of the parties to this stipulation and agreed order (the "**Stipulation and Agreed Order**") by their attorneys and authorized officials, it is hereby agreed as follows:

1. The United States, on behalf of Treasury, hereby withdraws Proofs of Claim Nos. 70252 and 70253 filed against REALM and Proofs of Claim Nos. 70256 and 70257 filed against ENCORE.
2. The United States, on behalf of Treasury, hereby withdraws Proof of Claim No. 65669 against MLC.
3. The Debtors' claims agent shall be authorized and empowered to adjust the claims register to reflect the withdrawal of Proofs of Claim Nos. 70252 and 70253 filed against REALM; Proofs of Claim Nos. 70256 and 70257 filed against ENCORE; and Proof of Claim No. 65669 filed against MLC.
4. Upon the withdrawal of Proofs of Claim Nos. 70252, and 70253 filed against REALM and Proofs of Claim Nos. 70256, and 70257 filed against ENCORE, the Debtors waive any right (to the extent any remains) to object to the DIP Proof of Claim on the grounds that the DIP Proof of Claim were filed against the incorrect Debtor.

5. The DIP Proof of Claim constitutes a timely claim against all Debtors and shall be allowed and entitled specifically to the treatment set forth in Section 2.4 of the Plan.
6. Choice of Law. This Stipulation and Agreed Order shall be governed, in all respects, by the laws of the State of New York, irrespective of its choice of law rules.
7. Authority. Each of the Parties hereby expressly represents and warrants that, subject to approval by the Court and entry of this Stipulation and Agreed Order as an order of the Court, it has the requisite power, authority, and legal capacity to enter into and execute this Stipulation and Agreed Order.
8. Modifications. No modification, amendment or waiver of any of the terms or provisions of this Stipulation and Agreed Order shall bind any Party unless such modification, amendment or waiver is in writing, has been approved by the Court, and has been executed by a duly authorized representative of the Party against whom such modification, amendment or waiver is sought to be enforced.
9. Counterparts. This Stipulation and Agreed Order may be executed in counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument, and it shall constitute sufficient proof of this Stipulation and Agreed Order to present any copy, copies, or facsimiles signed by the Parties hereto to be charged.
10. Drafting and Construction. The Parties acknowledge that this Stipulation and Agreed Order is the joint work product of all of the Parties, and that, accordingly, in the event of ambiguities in this Stipulation and Agreed Order, no inferences

shall be drawn against any Party on the basis of authorship of this Stipulation and Agreed Order.

11. Retention of Jurisdiction. The Court shall retain jurisdiction over any disputes related to this Stipulation and Agreed Order.
12. Binding Effect. This Stipulation and Agreed Order shall be binding on the Parties from the date of its execution, but is expressly subject to and contingent upon its approval by the Court and the occurrence of the Effective Date (as defined in the Plan) of the Plan. If the Court does not approve this Stipulation and Agreed Order or the Effective Date does not occur, this Stipulation and Agreed Order shall be null and void.

STIPULATED AND AGREED:

WEIL, GOTSHAL & MANGES LLP

PREET BHARARA
United States Attorney for the
Southern District of New York

By: _____

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*Attorney for the United States
of America*

SO ORDERED THIS 4th DAY OF March, 2011.

s/ Robert E. Gerber

HON. ROBERT E. GERBER
United States Bankruptcy Judge